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CENTRAL INTELLIGENCE AGENCY  
INFORMATION REPORT

REPORT

CD NO.

COUNTRY Austria  
SUBJECT Financial Aspects of SMV Drilling Operations

DATE DISTR. 20 December 1954

NO. OF PAGES 2

PLACE  
ACQUIREDNO. OF ENCLS.  
(LISTED BELOW)

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DATE OF  
INFO.SUPPLEMENT TO  
REPORT NO.

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drilling operations of the Soviet Oil Administration (SMV) in  
Austria completed between 1 January and 1 July 1954 cost a total of  
57,809,000 schillings. The breakdown of drilling investment in schillings  
is as follows:

	<u>Estimated Cost</u>	<u>Actual Cost</u>
Test drilling	19,886,000	18,454,000
Production drilling	31,922,000	33,898,000
Finishing up the gas gusher at Zwerndorf <sup>1</sup>	2,277,000	4,572,000
Structural drilling	891,000	885,000
Totals	54,976,000	57,809,000

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- 2, The report estimates that the cost per meter of drilling is declining. It presents the following chart of the estimated cost in schillings:

	<u>Estimated Cost of Drilling One Meter as of 1 July 1954</u>	<u>Actual Cost</u>	
		<u>First Quarter</u>	<u>Second Quarter</u>
Test drilling	1,237.60	1,268.02	1,148.4
Production drilling, including work at Zwerndorf	760.83	960.9	855.83
Production drilling, excluding Zwerndorf	730.8	814.93	796.29

3. The financial report totals the administrative costs and routine expenses of

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the Bohrbetrieb office between 1 April and 1 July 1954 at 3,603,000 schillings, which is 1,159,000 schillings or 47.4 percent over the estimate. The difference is explained, in part, by the fact that "the greatest amount of drilling work was done at the more distant sites of Muehlberg and Rabensburg".

4. One of the excess expenditures is attributed to the "new insurance policy which has gone into effect on the cementing units which we took over from the Tamponage Office in 1953".<sup>2</sup>

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Comment. There have been other indications that the Tamponage Office of SMV has been included in the Bohrbetrieb since the reorganization of late 1953.

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